GOVERNMENT OF INDIA
MICRO,SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:165
ANSWERED ON:18.07.2016
Cheap Chinese Imports
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Will the Minister of MICRO,SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether the import of cheap goods from China has badly affected the Micro, Small and Medium Enterprises (MSMEs) in our country;

(b) if so, the details thereof and the reaction of the Government thereto; and

(c) the remedial steps taken/proposed to be taken by the Government to make the MSMEs competitive enough to meet/counter the challenges posed by cheaps imports from China?

Answer

MINISTER OF STATE IN THE MINISTRY OF
MICRO, SMALL AND MEDIUM ENTERPRISES
(SHRI GIRIRAJ SINGH)

(a): Indian Micro, Small and Medium Enterprises (MSMEs) are facing tough competition from cheap Chinese products as is evident in high growth of India's imports from China. As per information compiled from the data provided by Director General of Commercial Intelligence & Statistics, Imports in respect of 11 major product groups, largely manufactured by MSMEs in India, have grown from China at a higher rate than their respective imports from all Countries combined during 2012-13 to 2015-16. As these 11 product groups accounted for 74% of India's total imports from China in 2015-16, a significant proportion of Indian MSMEs seem to be adversely affected from Chinese imports as compared to the rest of the World. These product groups pertain to Electrical and Electronics, Mechanical and Metallurgical products on the one hand and Chemical, Glass & Ceramics based products on the other.

(b)&(c): Government has been implementing various schemes/programmes to deal with this problem and help the micro, small and medium enterprises for effectively competing with imports from China and other countries. Some of these schemes/programmes include National Manufacturing Competitiveness Programme (NMCP); Credit Guarantee Scheme; Credit Linked Capital Subsidy Scheme; Cluster Development Programme; Market Development Assistance Scheme and Vendor Development Programme for Ancillarisation. These schemes/programmes help MSMEs grow, increase their competitiveness to challenge cheap Chinese imports in the country.

Government has also been imposing anti-dumping duties, permitted under the WTO, for restricting imports when such imports have been established as unfairly affecting the market for goods and services produced by Indian industries. Government also imposes Safeguard duties to protect domestic industries against a surge of imports from other countries. These mechanisms are operated by Directorate General of Anti Dumping and Allied Duties (DGAD) and Directorate General of Safeguards (DGSG) respectively.